

AFDC – Foster Care

DESCRIPTION OF MAJOR SERVICES

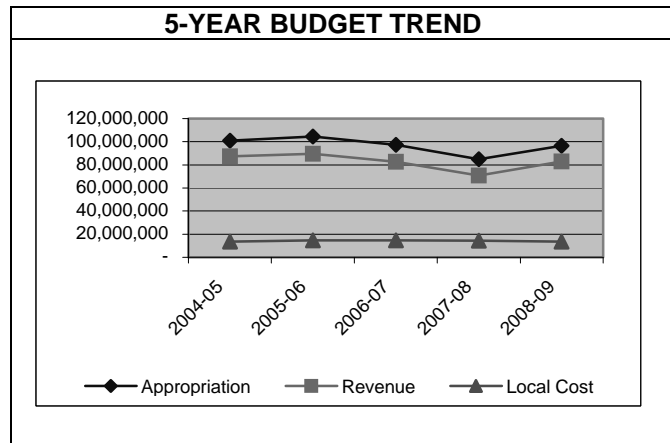
This program provides aid payments for children living in foster homes and group-care facilities. The Foster Care caseload consists of cases from both the Department of Children's Services (DCS) (approximately 90%) and Probation (approximately 10%). The cost of Probation related foster care cases is approximately 4.5 times greater than DCS cases due to the higher levels of care required for these juveniles.

There are two funding eligibility criteria in the Foster Care Program, federal (federal, state and county participation) and non-federal (state and county only). Foster Care placements are generally eligible for federal financial participation if the parents meet the previous Aid to Families with Dependent Children (AFDC) Program criteria.

- For federally eligible (federal) cases, the cost-sharing ratios are approximately 40% federal, 25% state, and 35% county.
- For non-federally eligible (non-federal) cases, the cost-sharing ratio is 40% state and 60% county.
- All county share-of-cost is mandated and is reimbursed from Social Services Realignment and the county general fund.

There is no staffing associated with this budget unit. Services for this program are provided by staff budgeted in the Human Services (HS) Administration budget unit.

BUDGET HISTORY



PERFORMANCE HISTORY

| | 2004-05 Actual | 2005-06 Actual | 2006-07 Actual | 2007-08 Modified Budget | 2007-08 Actual |
|----------------------|-------------------|-------------------|-------------------|-------------------------------|-------------------|
| Appropriation | 96,488,529 | 94,195,015 | 85,014,346 | 87,025,063 | 84,900,721 |
| Departmental Revenue | 82,904,560 | 79,357,104 | 70,199,472 | 72,748,975 | 70,622,768 |
| Local Cost | 13,583,969 | 14,837,911 | 14,814,874 | 14,276,088 | 14,277,953 |

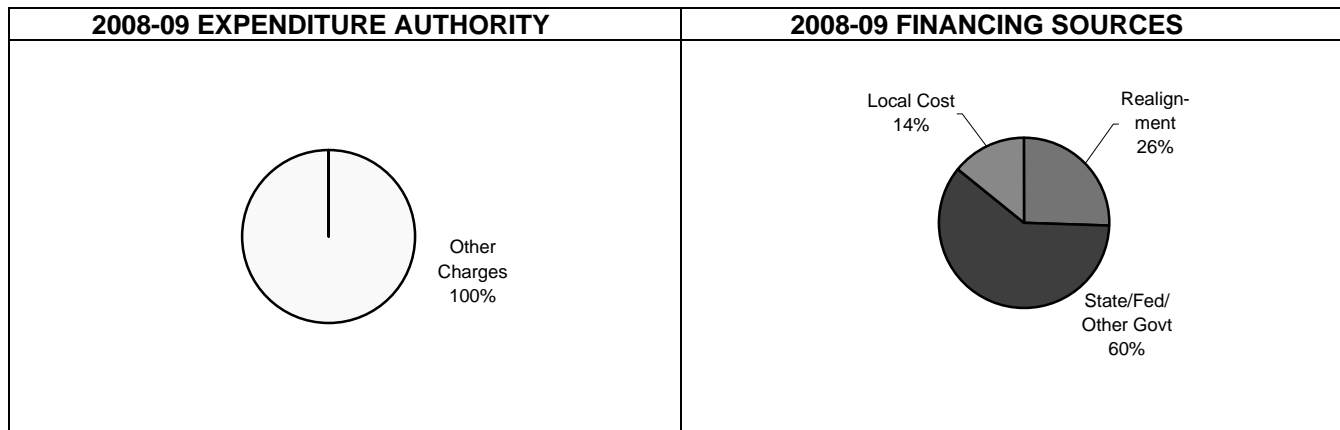
Foster Care has experienced a slow but steady decline in recent years, partly due to cases shifting from the Foster Care program into the Kin-Gap program. A decrease in the number of petitions filed also contributes to the caseload decline. As a result, actual appropriation was \$2.1 million below the 2007-08 modified budget.

While federal cases and grant costs marginally decreased, non-federal cases and grant costs increased at a more rapid rate. These changes can be attributed to a change in the eligibility status of emergency assistance cases. In May 2007, the state reclassified them as non-federal cases. Previous to this change they were classified as federal cases but are now funded only by the state and counties.

The caseload decreases, along with additional revenue received due to adjustments made to the HS Subsistence Claim have resulted in a \$3.3 million savings in Social Services Realignment.

Late adjustments resulted in this budget unit exceeding local cost targets by \$1,865. Local cost savings in other HS subsistence budget units was utilized to allow HS to remain within local cost targets.

ANALYSIS OF FINAL BUDGET



GROUP: Human Services
DEPARTMENT: AFDC - Foster Care
FUND: General

BUDGET UNIT: AAB BHI
FUNCTION: Public Assistance
ACTIVITY: Aid Programs

| | 2004-05 Actual | 2005-06 Actual | 2006-07 Actual | 2007-08 Actual | 2007-08 Final Budget | 2008-09 Final Budget | Change From 2007-08 Final Budget |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------------|-------------------------|--|
| Appropriation | | | | | | | |
| Other Charges | 95,519,773 | 93,317,246 | 85,014,346 | 84,900,721 | 85,012,850 | 94,387,086 | 9,374,236 |
| Transfers | 968,756 | 877,769 | - | - | - | - | - |
| Total Appropriation | 96,488,529 | 94,195,015 | 85,014,346 | 84,900,721 | 85,012,850 | 94,387,086 | 9,374,236 |
| Departmental Revenue | | | | | | | |
| Realignment | 25,839,465 | 20,934,763 | 19,736,012 | 18,081,672 | 21,336,609 | 24,377,815 | 3,041,206 |
| State, Fed or Gov't Aid | 56,225,689 | 57,335,742 | 49,706,375 | 51,495,632 | 48,600,153 | 55,648,769 | 7,048,616 |
| Current Services | 819,252 | 1,060,578 | 742,337 | 1,030,425 | 800,000 | 800,000 | - |
| Other Revenue | 20,154 | 26,021 | 14,748 | 15,039 | - | - | - |
| Total Revenue | 82,904,560 | 79,357,104 | 70,199,472 | 70,622,768 | 70,736,762 | 80,826,584 | 10,089,822 |
| Local Cost | 13,583,969 | 14,837,911 | 14,814,874 | 14,277,953 | 14,276,088 | 13,560,502 | (715,586) |

Other charges of \$94.4 million represent aid payments for children living in foster homes and group-care facilities. The \$9.4 million increase is due to anticipated over-all caseload and grant increases. Included are expenditures of \$1.2 million for the Transitional Housing Program-Plus that will be used for support services for youth exiting foster care. This program is 100% state funded.

Foster Care caseload has experienced a decline in recent years, partly due to cases shifting from the Foster Care program into the Kin-Gap program. This decline has stabilized and is projected to increase 5% in 2008-09.

Effective January 2008, the Governor approved a 5% Cost of Living Adjustment (COLA), therefore the average grant is projected to increase 5% in 2008-09. It is unclear whether this COLA will be rescinded in 2008-09.

Departmental revenue is projected to increase \$10.1 million due to increasing caseload and grant costs.

Despite the anticipated caseload, the projected revenue increase should be sufficient to result in net local cost savings of approximately \$0.7 million. This local cost savings will be utilized in other HS Subsistence Budget units to enable HS to remain within local cost targets, overall.

